

HB XXX/SB XXX Interlocal Agreements

BACKGROUND

Generally, the governing bodies of local governments may delegate authority to execute contracts unless limited by law. Current law requires interlocal agreements between certain local governments to be authorized by the governing bodies of both parties to the contract, but allows other entities to streamline this process by allowing the governing body to delegate authority to execute an intergovernmental agreement to utility staff if the contract amount does not exceed \$100,000 and the governing body establishes appropriate procedures for approval by staff. Examples of these types of agreements include the cooperative purchase of parts for vehicles and equipment, or utility relocations to accommodate road construction. Procedures for oversight by the governing body might include regular public reports and normal budget approval processes.

BILL PROPOSAL

HB _____ would allow the SAWS Board of Trustees the authority to streamline their own Board approval processes by allowing for administrative approval by staff of inter-governmental contracts that do not exceed \$100,000.

REASONS FOR CHANGE

SAWS often enters into interlocal agreements that are simple, routine purchase agreements of less than \$100,000, including cooperative purchase and service agreements with other governmental entities. While simple and routine, these contracts are currently required to be acted upon by the SAWS Board of Trustees following staff review and recommendations. This requires a significant investment of time from both staff and Trustees on matters that are otherwise considered routine for certain governmental entities. This bill would give the SAWS board an opportunity to streamline SAWS' contracting process to make it more efficient and facilitate more effective governance on issues of larger, more complex matters. This exception from governing body approval would apply only to intergovernmental agreements under \$100,000 and would not extend to private-sector contracts.

The governing bodies of municipally owned electric utilities, such as San Antonio's electric utility, CPS Energy, are already allowed this delegation authority, even at much higher amounts. SAWS, San Antonio's municipally owned water utility, should receive the same opportunity to manage this contracting process more efficiently and align intergovernmental contracts with other contracts that are authorized by the Board.